

The Knowledge Economy

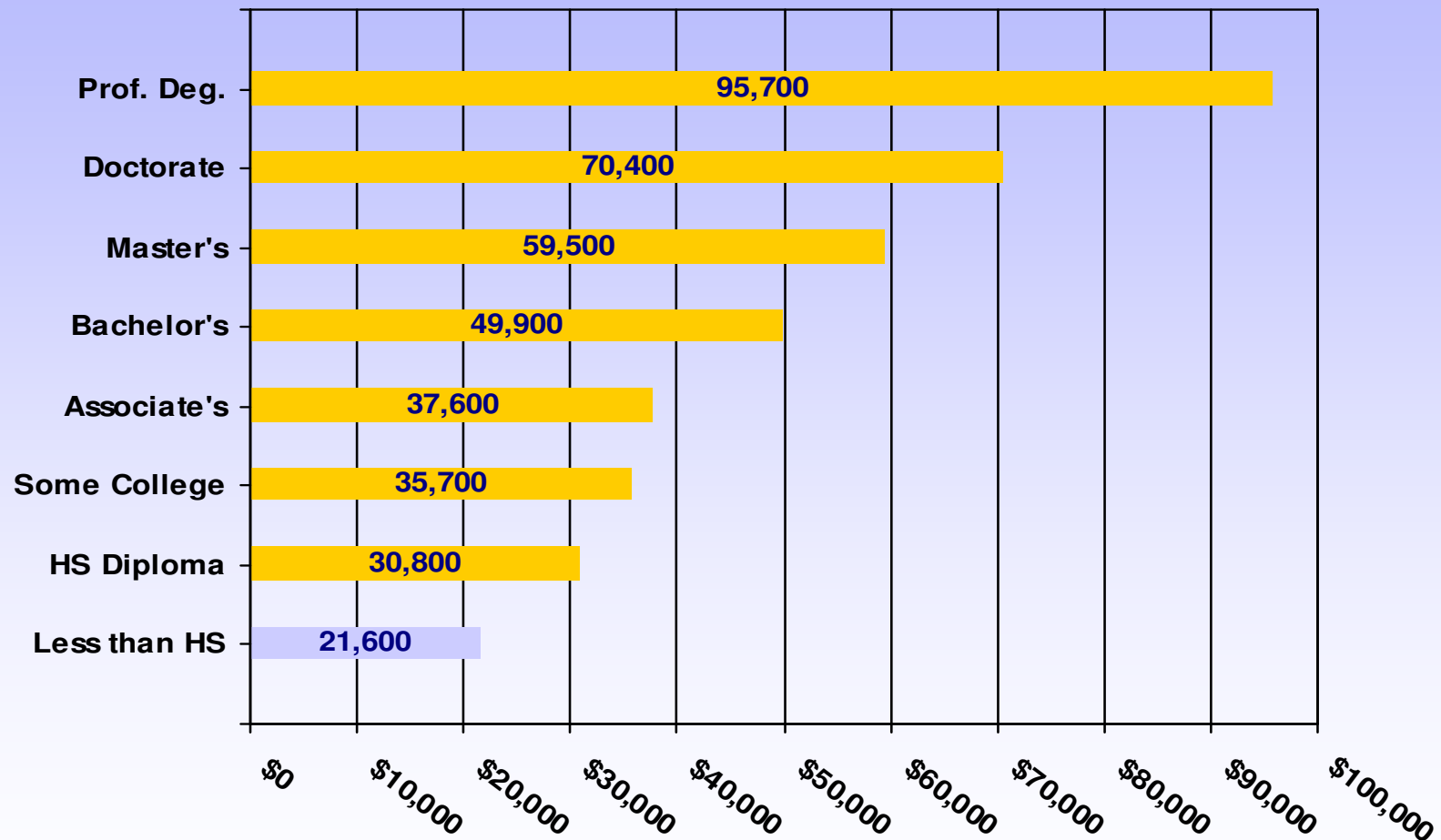
“Colleges and universities have never been as important as they are today. Economic competitiveness depends upon a state’s ability to educate and train its citizens and attract and retain talent.”

National Governors Association Center For Best Practices

“The importance of postsecondary education has increased significantly in the last decade. A high school diploma is no longer sufficient in the 21st Century. In order to be successful in today’s global economy a person must receive some form of postsecondary education. And the economic stability of the state is tied to citizens who are employed and productive.”

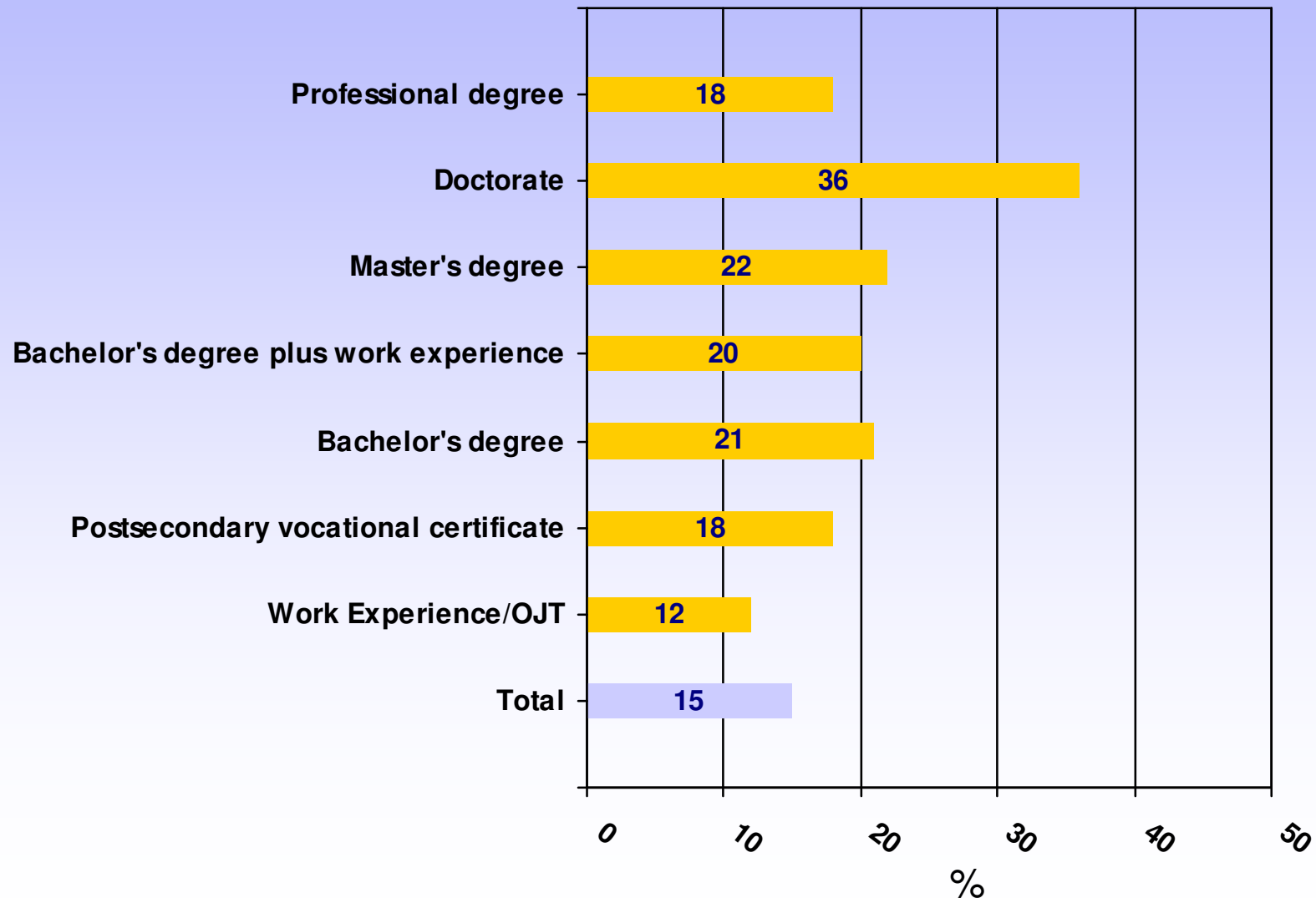
National Conference of State Legislatures, 2007

Education Earnings



Source: *Education Pays 2004*, College Board

Projected Increases in Job Openings by Education or Training Required - United States, 2002 -2012



Source: *Louisiana: Featured Facts, 2005, SREB*

The Array of Benefits of Higher Education

	Public/State	Private/Individual
Economic	<ul style="list-style-type: none">Increased tax revenuesGreater productivityIncreased consumptionIncreased workforce flexibilityDecreased reliance on government financial support	<ul style="list-style-type: none">Higher salaries and benefitsEmploymentHigher savings levelsImproved working conditions
Social	<ul style="list-style-type: none">Reduced tax revenuesIncreased charitable giving/community serviceIncreased quality of civic lifeImproved ability to adapt to and use technology	<ul style="list-style-type: none">Improved health/life expectancyImproved quality of life for offspringBetter consumer decision-making

“To close the economic gap, Louisiana must close the education gap.”

Source: Miles to Go, Southern Education Foundation (2006)

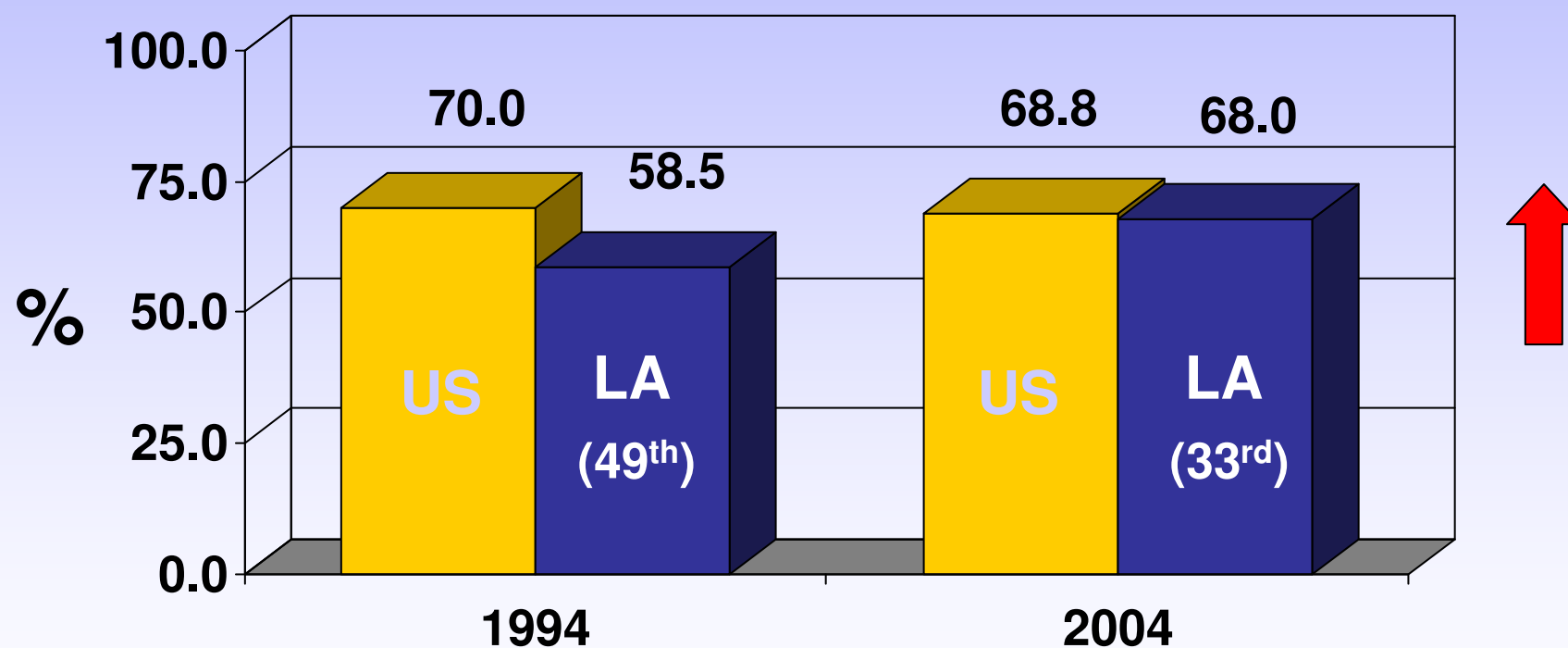
Main Points:

- **The economy is rapidly changing.**
- **Economic prosperity (employment opportunity, competitive salaries, progressive public investments) is dependent on knowledge-based jobs.**

The Issue:

Louisiana's ability to compete in this economic environment demands ever larger numbers of highly-trained and educated workers.

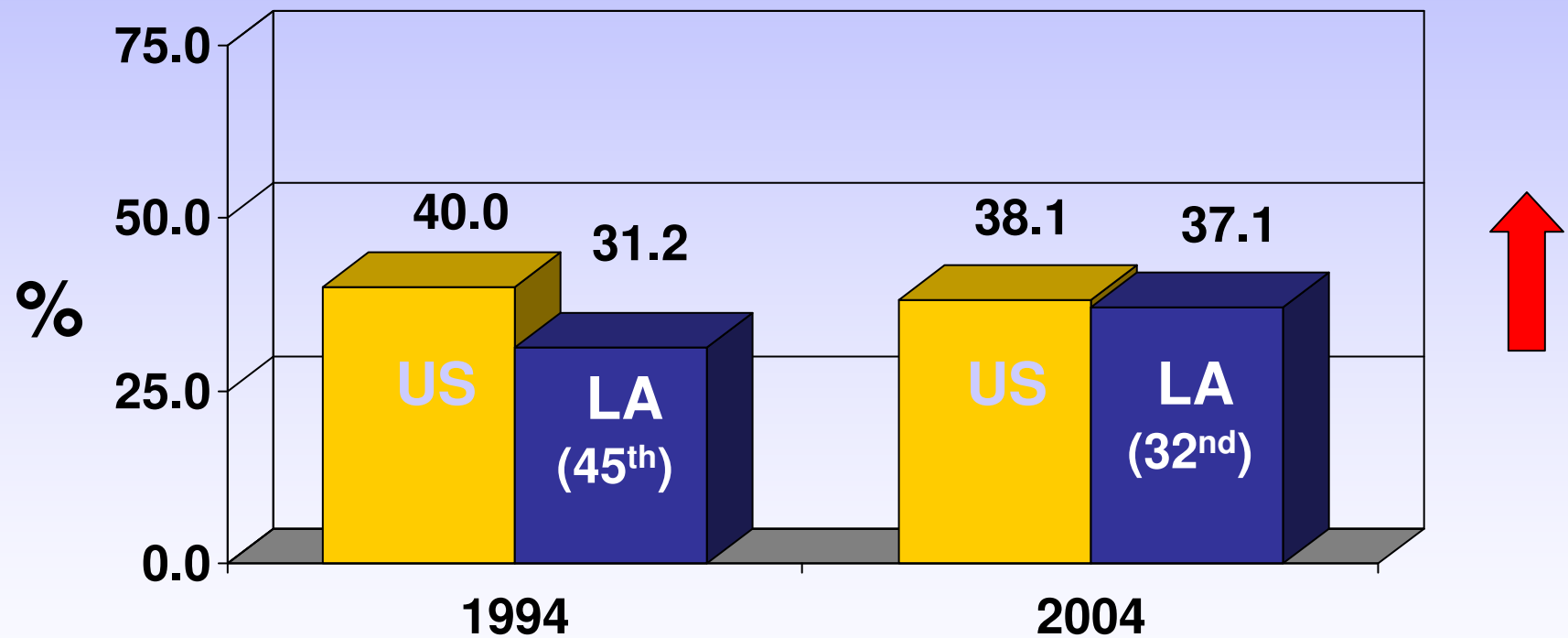
Public High School Graduation Rates*



*Total Regular Diploma Recipients / 9th Grade Enrollment = H.S. Graduation Rate

Source: *Postsecondary Education Opportunity*, July 2006







Chance for College by Age 19*



*Public High School Graduation Rate x College Going Rate

Source: *Postsecondary Education Opportunity*, July 2006

Degrees Awarded

	<u>1994-95</u>	<u>2004-05</u>	<u>Change</u>	
Certificate/Diploma		3,211	20%*	
Associate:	2,730	4,459	63%	
Baccalaureate:	14,880	17,537	18%	
Master's	3,933	5,034	28%	
Doctorate	373	425	14%	
Professional	711	792	11%	

***LTC data were incorporated in 2003. The increase in certificates/diplomas awarded is for the two-year period 2003-2005.**

Source: Board of Regents data

Educational Attainment

Population 25 and Older

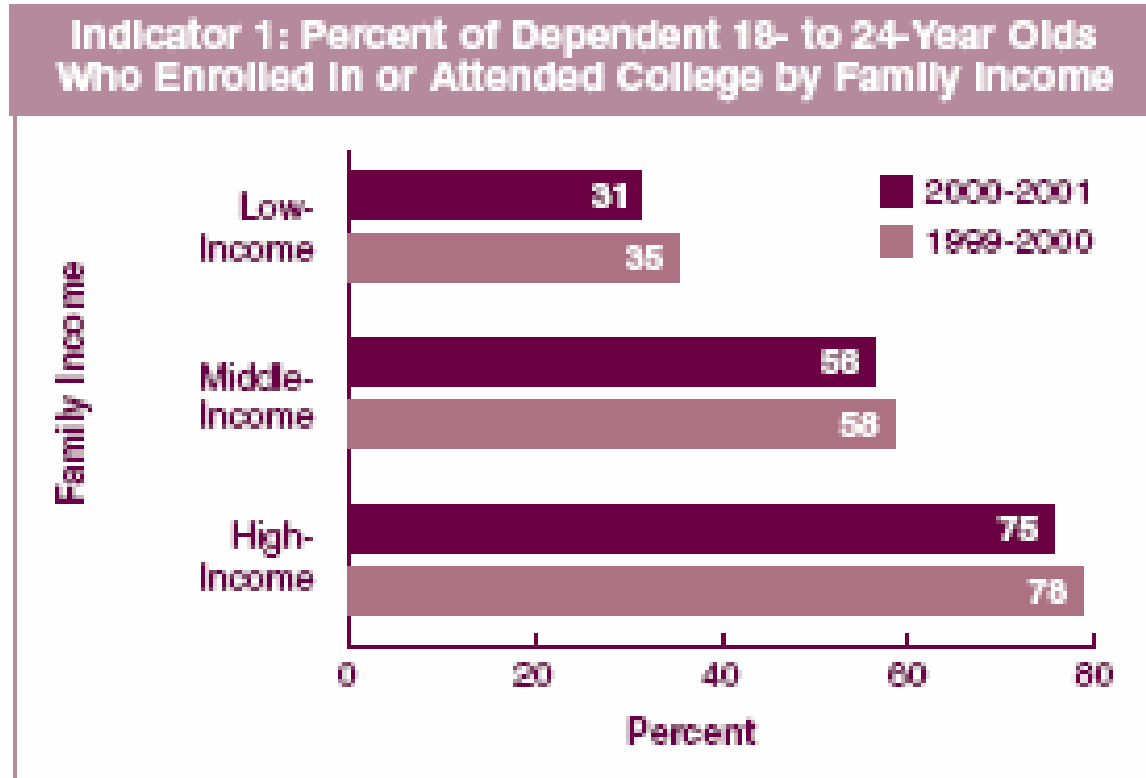
	2000	2005
Associate's Degree:	3.1%	5.0% ↑
Bachelor's Degree:	12.4%	13.4% ↑
Graduate/Professional	6.8%	7.1% ↑

Source: U.S Census data

“The data make it very clear that the largest pool of potential college students is the population of low- and moderate-income youth who do not complete high school college-qualified.”

Postsecondary Education Opportunity, March 2007

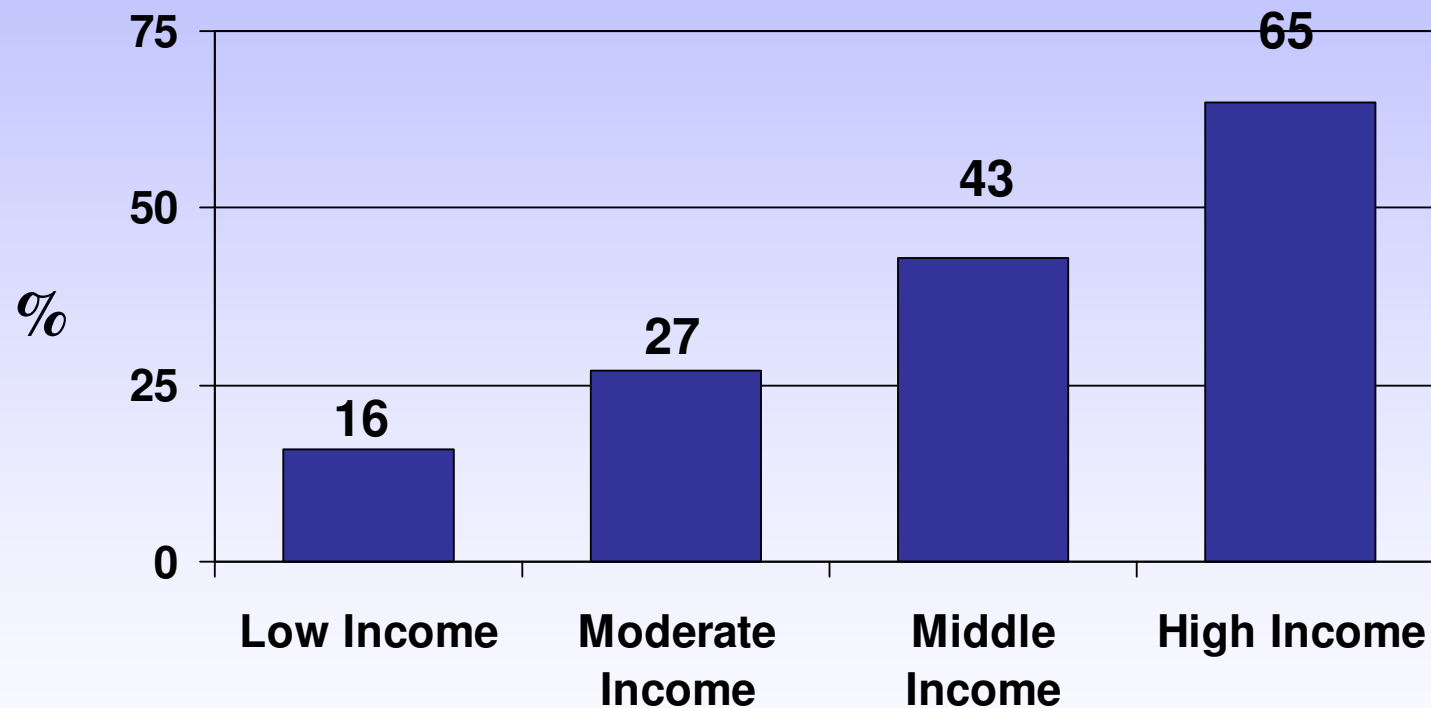
Family Income Affects Chance for College



Income categories are broken down as follows: low-income—under \$25,000; middle-income—\$25,000 to \$74,999; and high-income—\$75,000 and above.

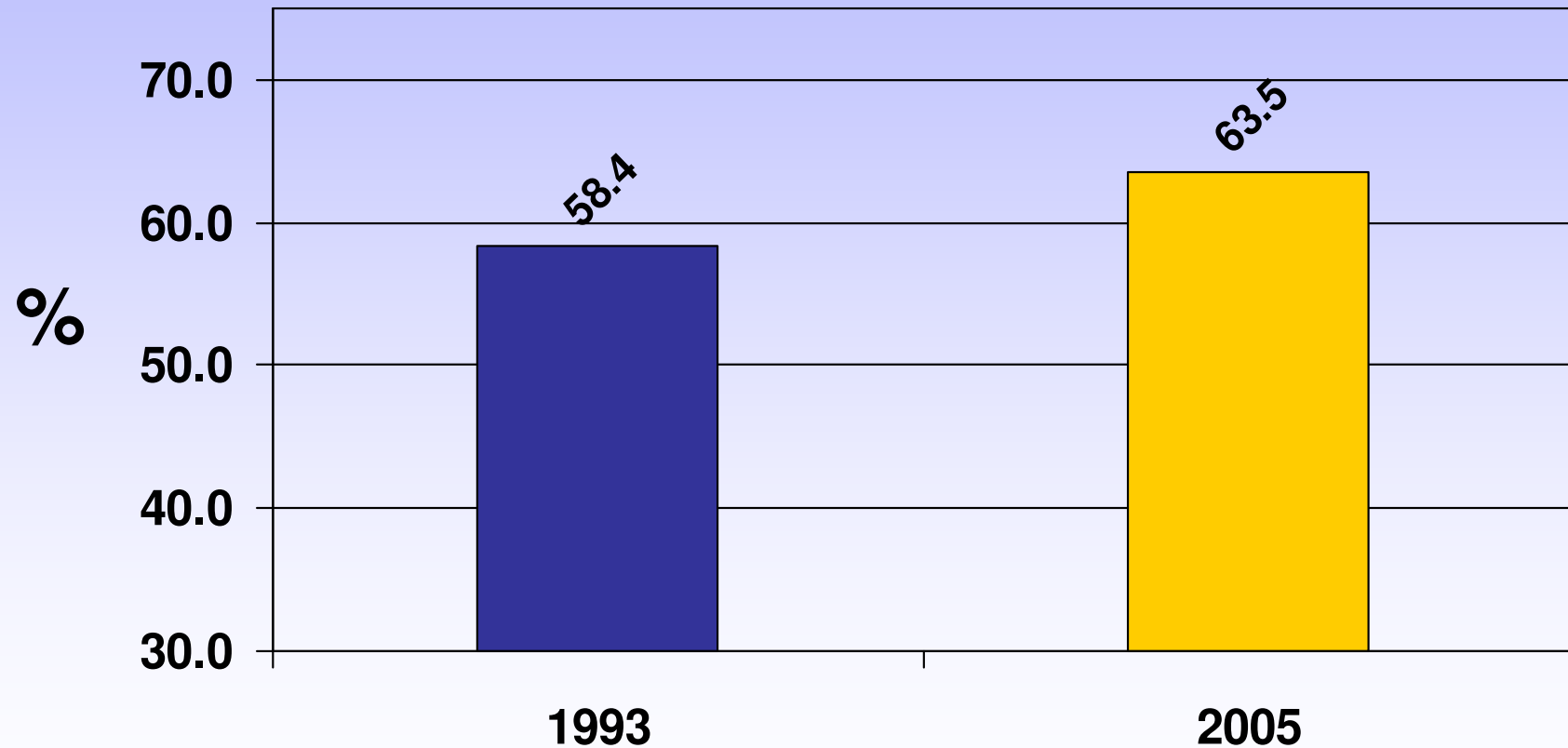
Source: The Pell Institute, *Indicators of Opportunity in Higher Education*

Percentage of 8th Graders in 2000 Projected to Earn a Bachelor's Degree by 2012 (by family income)



Source: Analysis of National Education Longitudinal Study of 1998/2000

LA Eligibility Rates for Free and Reduced- Priced School Lunches – FY1993 - FY2005



Source: *Postsecondary Education Opportunity*, February 2007

Primary obstacles to access and success for low- and moderate-income students:

- Inadequate academic preparation**
- Insufficient information, guidance and encouragement**
- Unmet financial need**

Overall Affordability Rankings:

1. New Hampshire
2. Oklahoma
3. Louisiana
4. Mississippi
5. Georgia
6. North Dakota
7. Kentucky
8. Idaho
9. Utah
10. Wisconsin

Educational Policy Institute (2006)

Affordability 2006

A CLOSER LOOK AT FAMILY ABILITY TO PAY	Average family income	Community colleges		Public 4-year colleges/universities		Private 4-year colleges/universities	
		Net college cost*	Percent of income needed to pay net college cost	Net college cost*	Percent of income needed to pay net college cost	Net college cost*	Percent of income needed to pay net college cost
Income groups used to calculate 2006 family ability to pay							
20% of the population with the lowest income	\$9,668	\$4,474	46%	\$5,191	54%	\$22,168	229%
20% of the population with lower-middle income	\$24,000	\$5,202	22%	\$6,190	26%	\$22,060	92%
20% of the population with middle income	\$38,967	\$5,845	15%	\$7,365	19%	\$21,772	56%
20% of the population with upper-middle income	\$60,460	\$6,005	10%	\$7,399	12%	\$21,520	36%
20% of the population with the highest income	\$104,300	\$6,040	6%	\$7,418	7%	\$22,008	21%
40% of the population with the lowest income	\$16,834	\$4,838	29%	\$5,691	34%	\$22,114	131%

*Net college cost equals tuition, room, and board, minus financial aid.

Source: Measuring Up 2006

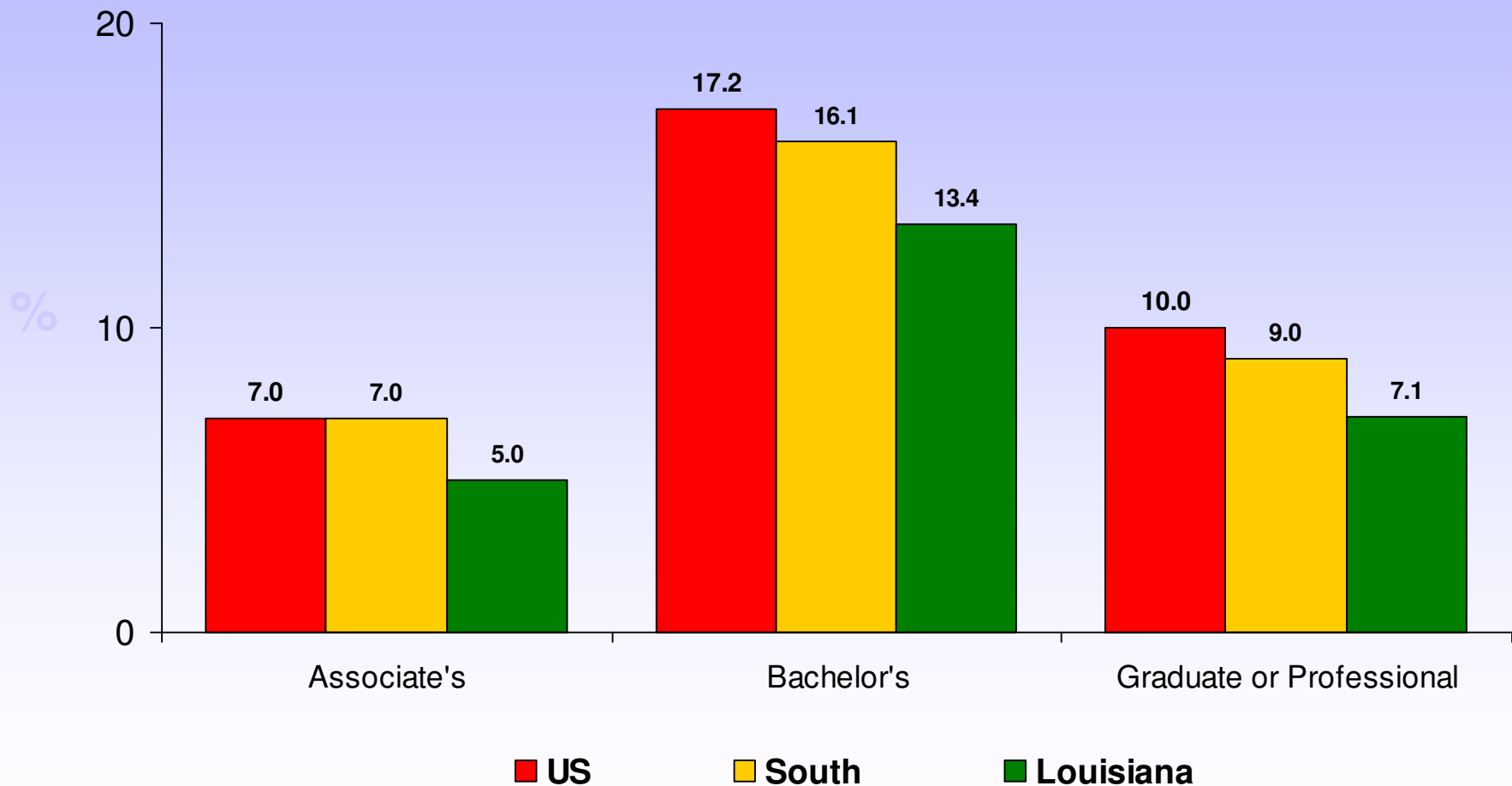
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Source: Measuring Up 2006

Highest Educational Attainment of Population 25 Years and Older in 2005



Source: US Census data:
*American Community
Survey, 2005*

Louisiana Adult Participation in Postsecondary Education

➤ **2.3% of working population (47th)**

Source: National Center for Public Policy and Higher Education, 2004

“The most efficient way for a state to expand access to postsecondary education is to increase its investment in need-based grant aid.”

Expanding College Access: The Impact of State Finance Strategies, Lumina (2004)

Traditional Students

“Need-based grants have a positive association with high school graduation rates and a substantial positive influence on college enrollment rates.”

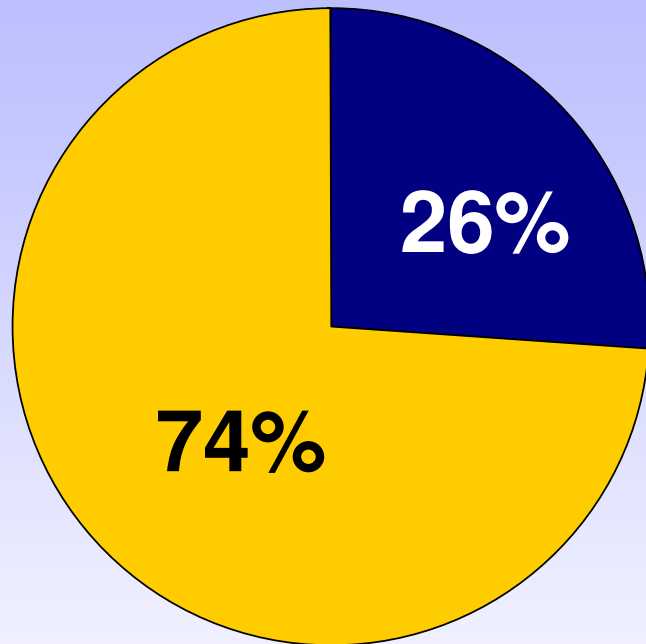
Perne and Titus, 2002

Non-Traditional Students

“Low-income adults receive less overall financial assistance and fewer grants than traditional-age students...[T]he majority of state financial aid policies are also not well suited for adult workers.”

Workforce Strategy Center, December 2006

Distribution of State Grant Aid, 2003-04

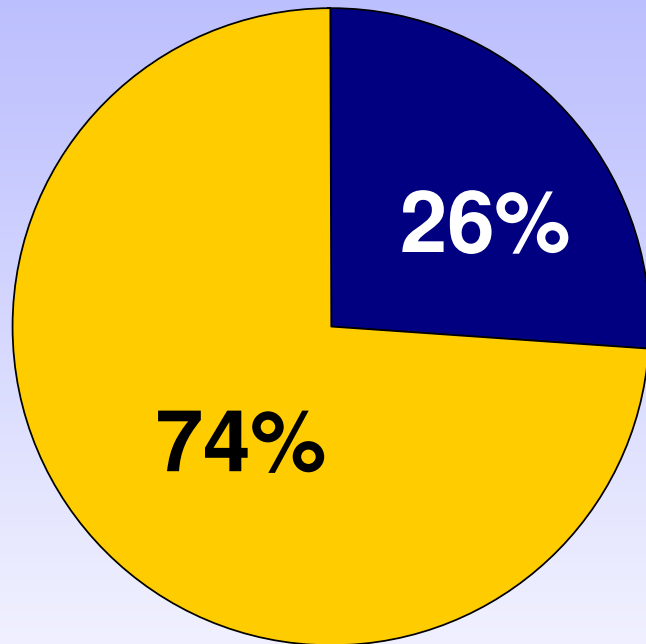


U.S. Average

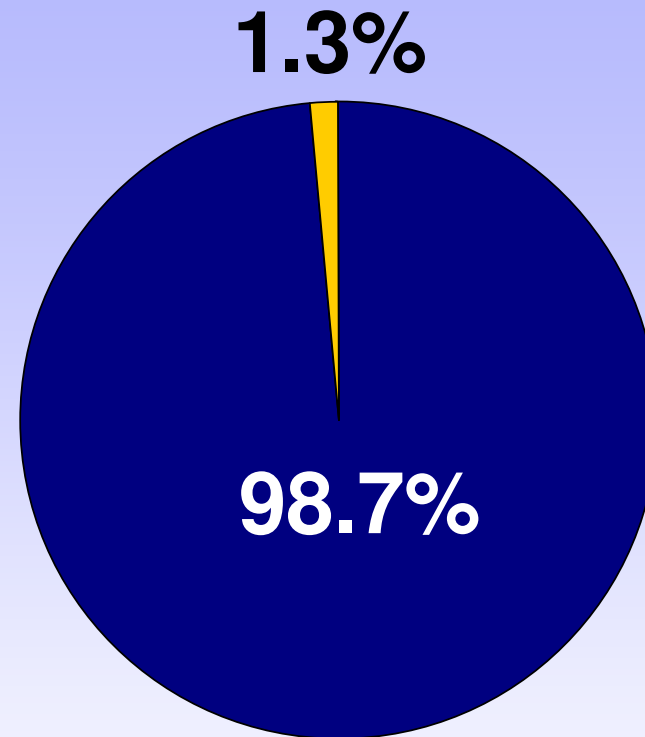
- **Total need-based state undergraduate aid**
- **Total non-need-based state undergraduate aid**

Source: National Association of State Student Grant Aid Programs 2004

Distribution of State Grant Aid, 2003-04



U.S. Average



Louisiana

- Total need-based state undergraduate aid
- Total non-need-based state undergraduate aid

Source: National Association of State Student Grant Aid Programs 2004

Undergraduate Grant Dollars/FTE State Rankings

Louisiana

Merit-Based: \$640 – 13th

Need-Based: \$8 – 47th

**Source: USDOE, National Center for Educational
Statistics (NCES) Integrated Postsecondary Data System
(IPEDS), 2004**

Louisiana Need Based Financial Assistance Program for Low- and Moderate-Income Students

Louisiana “*GO Grant*”



Education...Go for more!

**Simple plan to improve
college access for targeted
population and reduce student
loan debt**

Shared responsibility

**Targeted at low/moderate-
income and low-participating
adults/high school graduates**



Education...Go for more!

Eligibility Criteria



Education...Go for more!

Enrollment Criteria

- Louisiana resident
- Admitted and enrolled as a certificate- or degree-seeking undergraduate student
- At a Louisiana public or private (LAICU) college or university:
 - As a first time freshman or
 - Aged 25 or older and not enrolled in a college or university in credit bearing courses for the past three years

Financial Need Criteria

- Financial need is based on information reported on the Free Application for Federal Student Aid (FAFSA)
- Student must be awarded the federal Pell grant (includes calculation of Expected Family Contribution)
- Student must have an Education Cost Gap (ECG) (unmet need) greater than zero



ECG for Full-time Students

Tuition and mandatory fees

+ **\$2,000** for textbooks, supplies, materials and other related education expenses

= *Louisiana Basic College Cost (LBCC)*

LBCC

- Federal grants (Pell, ACG)

= ***Education Cost Gap (ECG)***



Education...Go for more!

ECG for Part-time Students

Tuition and mandatory fees

+ **\$1,000** for textbooks, supplies, materials and other related education expenses

= *Louisiana Basic College Cost (LBCC)*

LBCC

- Federal grants (Pell, ACG)

= ***Education Cost Gap (ECG)***



Education...Go for more!

Award Amount

- Annual award of
 - \$2,000 for fulltime students
 - \$1,000 for part-time students



Renewal Eligibility Criteria

- Student eligibility will be reevaluated annually, using the ECG formula, for students with continued Pell eligibility who meet satisfactory academic progress *(consistent with federal guidelines)*



Projections

- Approximately 10,000 eligible first-time freshmen
 - 25% of incoming class
- Additional 1,000 students (estimated) aged 25 and older who have been out of school for the last 3 years



“Helping more Americans earn a degree is not only important for our economic standing, it’s essential to reinforcing what our country stands for.”

U.S. Secretary of Education Margaret Spellings, March 2007

Dual Enrollment Program

Dual Enrollment Program

- Opportunities for students to experience and transition to postsecondary education and earn college credit while in high school
- 2006-07 pilot, possible increased funding for 2007-08
 - 1200 course enrollments
 - \$500,000
- Incorporate TOPS Tech Early Start
 - 542 enrolled students
 - \$162,000

Dual Enrollment Program

- Proposed Eligibility Criteria
 - 11th & 12th grade students
 - Eligible for Free or Reduced Lunch or attending Title II school
 - On track to complete core curriculum
 - Have taken PLAN or ACT
 - Have high school permission
 - Must earn dual credit

Dual Enrollment Program

- Additional criteria for enrollment in:
 - Advanced courses (degree credit)
 - Enrichment courses (developmental)
 - Work Skills courses (technical)
 - Incorporate TOP Tech Early Start
- Tuition reimbursement
 - \$100 per credit hour, \$300 maximum
 - Administered by LOSFA

Louisiana ePortal

LOUISIANA'S

EDUCATION

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